



Cabinet

16 December 2020

Report of: Councillor Leigh Higgins - Portfolio Holder for Growth and Prosperity (and Deputy Leader)

Establishment of a Food Enterprise Centre in Melton

Corporate Priority:	Delivering sustainable and inclusive growth in Melton
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No Not key decision

1 Summary

- 1.1 The Council's Corporate Strategy 2020-2024 made commitments for the Council to support growth and prosperity within Melton. A key part of this was to enhance Melton's reputation as the 'Rural Capital of Food'; providing support to key manufacturing and tourism sectors and working to establish a new Food Enterprise Centre (FEC). This report summarises progress to date and outlines the activities and projects being undertaken to achieve this ambition and establish of a new Food Enterprise Centre in Melton.
- 1.2 The Council has previously secured £100,000 revenue grant from the Leicestershire Business Rates Pool, and matched this with £50,000 from the Regeneration and Innovation Reserve, alongside officer time contributions. This report provides an update to the Cabinet on the progress made so far and informs of the activities planned for the use of this funding.
- 1.3 Works and activities proposed for the initial establishment of the FEC will help assess the demand and need from the market and help establish the feasibility of a more detailed business case for wider capital and revenue investment in future phases.

2 Recommendation(s)

That Cabinet:

- 2.1 **Notes the work undertaken to support the promotion of growth and prosperity within Melton.**
- 2.2 **Approves plans to establish a new Food Enterprise Centre in Melton and notes the resources allocated and next steps.**

3 Reason for Recommendations

- 3.1 Priority 3 of the Council's Corporate Strategy (2020-2024) Delivering sustainable and inclusive growth in Melton, identifies a key focus to be on 'working with partners to promote Melton, and deliver the promise of the 'Rural Capital of food' (RCOF)'.
- 3.2 Melton has significantly higher than the national average of food and drink related manufacturing with approximately 3,000 people employed in the sector in 2017 (ONS).
- 3.3 This work is crucial in preparing a strong framework to guide future activities and attract inward investment in the area. The range of activities include development of the cattle market site to accommodate on-site food production businesses, business support activities, events, demonstrations, skills development, tourism and markets. Together all above mentioned activities contribute positively to create a strong brand for RCOF.
- 3.4 Establishing a Food Enterprise Centre in Melton is anticipated to achieve the following benefits:
 - Covid-19 has had a significant affect on food and drink related businesses. Some have been able to adapt and survive by switching their focus to online, or by changing the product line, but many others have found it increasingly difficult and often struggled to access the right support for them. Niche and technical business support for food production businesses is a gap this proposal will seek to fill.
 - Supporting the creation of new businesses through the support provided by development/ experimental kitchen space
 - Increased footfall and activities on site due to demonstration events, networking events, food festivals, training opportunities and retail offer
 - A new brand with associated literature and web presence for the southern site area and the offer of FEC
 - Improved understanding and provision of the infrastructure that are necessary on site to attract and retain major events throughout the year
 - Potential opportunity to raise awareness about the role of food production in climate change as well as health and well-being agenda
 - A detailed business case informed by evidence, for future provision of facilities, infrastructure and support required and financial implications for the same
 - Recognition of the Council's proactive approach and commitment to delivering the RCOF offer by using its assets and resources and leveraging further private sector investment
 - Melton will not just be known as the home of the pork pie or stilton cheese but as the place to go for a truly engaging and unique food experience that goes beyond just food but explore further our heritage, our unique stories that enrich the experience.

4 Background

- 4.1 Melton has an international reputation for high quality food products – notably Stilton cheese and Melton Mowbray Pork Pies – and is a Protected Designation of Origin (PDO) for these. This food heritage has resulted in Melton Mowbray being recognised as the ‘Rural Capital of Food’.
- 4.2 Two thirds of manufacturing employment in Melton Mowbray is within food manufacturing, and it is this sector that Melton Mowbray has an evident competitive advantage. Significant companies in this sector in the Town include Masterfoods (pet food producer), Melton Foods (Samworth Brothers), Kettleby Foods (Samworth Brothers), and Arla Foods. Beyond the Town, Long Clawson Dairy and Belvoir Fruit Farms are also significant employers in Melton Borough in this sector.
- 4.3 Melton Borough Council is committed to work with businesses and strategic partners to support and enhance this sector. A range of strategic initiatives have been aligned to help ensure a golden thread between the regional strategic vision to local specific actions being undertaken..
- 4.4 **LLEP’s Draft Local Industrial Strategy (LIS):** The Draft LIS identifies ‘Creating a Food Enterprise and Technology Centre in Melton Mowbray’ as a key strategic priority to stimulate growth and productivity within Leicestershire.
- 4.5 **Destination Management Plan (DMP):** The Destination Management Plan prepared by Melton Place Board underpinned our commitment to explore and exploit Melton’s food provenance, environmental assets, manufacturing prowess and rich cultural history of food production. It has helped to refine and re-define our brand identity as the ‘Rural Capital of Food’ as well as helped to support plans to leverage funding, attract business investment, create jobs and stimulate partner engagement.
- 4.6 **Cattle market development:** The Council secured £80,000 grant funding from LLEP in 2018 towards the development of a Cattle Market masterplan to look at how the area could be enhanced to increase its complimentary relationship with the Town Centre and also attract more people to the facility. It also included demand analysis for a range of uses for the site and concluded the combination of employment, on-site production and food related retail/ leisure to be suitable for the site.
- 4.7 **Manufacturing Zone:** The Council was successful in securing £75,000 grant funding from Midlands Engine in early 2019 to establish food based manufacturing zone in Melton. The funding was used to prepare masterplans and delivery mechanism for three clusters of employment sites on the edge of the urban area, allocated in the Local Plan. A part of the funding was used to work in collaboration with the Food Innovation centre of the University of Nottingham, to prepare a feasibility study for the Food Enterprise Centre (FEC) in Melton.
- 4.8 **Business rate Pool funding (BRP):** The above mentioned preparatory pieces of work proved to be a strong base for the funding bid for £100,000 to explore a detailed business case for the FEC in Melton. In April Cabinet approved the match funding of £50,000 for this work in addition to an equivalent of £50,000 of staff time. This report now sets out the next steps in establishing the FEC by trialling the ideas in order to receive evidence based information for long term investment in permanent facility. The Cattle market south site is proposed to be used for the initial base with strong links established between the cattle market, Brooksby Melton College and the retail offer in the High Street. The next steps in

establishing the FEC, the actions required and the way the funding will be used is set out within this report.

5 Main Considerations

- 5.1 Melton Mowbray is one of just a few places synonymous with a specific food product - Melton Mowbray pork pies. It is a high end, iconic brand based on a historic recipe. It gives the borough an international profile and our name is found in every supermarket. Melton Mowbray's pork pies are global ambassadors that link education and agriculture, community and commerce, farming and food and drink, manufacturers and markets. The area is also synonymous with other high quality products including Stilton cheese and Belvoir drinks.
- 5.2 This recognition must continue to be carefully managed and rejuvenated to suit the needs of time and exploited to meet the aspirations of current and future generations. This report provides a strategic approach to reinforce Melton's brand identity as the Rural Capital of Food. It demonstrates a range of activities that are being undertaken to take the concept of RCOF to the next level with real outcomes delivered on ground. It builds on the success of cattle market at the core of the town and economy and creates an opportunity to provide a distinct experience, unique to Melton.
- 5.3 **Food Enterprise Centre (FEC)**
- 5.4 The proposed approach to establishing the FEC is outlined as below:
- **Grow:** Work with the National Farmers Union to support farmers to grow and diversify
 - **Make:** Facilitate development of employment sites for food production businesses (Manufacturing Zone)
 - **Enterprise:** Provide Niche technical business support and infrastructure to support start-ups, retention and growth of businesses
 - **Innovation:** Collaboration with the University of Nottingham Food Innovation Centre and Brooksby Melton College for developing skills, courses and training opportunities
 - **Experience:** Create and enhance the environment for food experience in town centre as well as rural areas by creating close links with tourism, leisure and 'quality of life' offer
- 5.5 The key purpose for the FEC is to be a centre for excellence in rural food production by promoting enterprise, experience and innovation. The key objectives for this project are:
- 'Rural Capital of Food' to be a recognised and sought-after brand
 - Increased diversity in food production and market reach
 - Support business start-ups and innovation in food production
 - Attract quality chefs, boutique hotels, gourmet restaurants, specialist suppliers, food bloggers and young innovators
 - Harness technology and e-commerce to connect food production with tourism, leisure, retail and skills development
 - Support, promote and create awards (for example, British pie awards)
 - Encourage specialist markets, street food and pop-up restaurants, experimental space
 - Host world class events and festivals
 - Raise awareness and profile for local food products and 'food heroes'

5.6 The proposed project for the use of BRP funding is phase 1 for the delivery of FEC and is mostly focussed on the cattle market south site. This allows for maximisation of council's assets, leverage of private sector investment and efficient use of combined resources of the partners.

5.7 The Southern area site at the cattle market has improved significantly over the last 5 years. However there is much more that can be done to boost this significantly to turn this site into a destination experience that will attract locals and visitors. The compatibility of the site for on-site production units has already been proven with inward investment secured onto the site in the form of the Round Corner Brewery. Currently the Council and partners are negotiating commercial terms with two other businesses to move into the fur and feather shed at the cattle market. The operation will include production units, off the counter retail, class room for training, and a tasting area. A cluster of these activities will compliment the FEC and create a destination in its own right.

5.8 Proposed activities for committing the allocated funding are identified in the table below:

No	Activities	Description
1	Business Support	<ul style="list-style-type: none"> a. Appoint a food technologist to provide 1-2 days per week presence on site (cost TBC) b. Digital package of information that can help businesses (technical advice and sign posting) c. General advice- growth hub and LLEP sign posting d. Regulatory advice for food hygiene etc. e. Liaison with BMC to develop their capability f. Networking events- MMM clients + wider audience
2	Onsite presence and activities	<ul style="list-style-type: none"> a. Attract other on-site production units on site and co-ordinate lease, planning and licensing issues b. Explore options to hire or purchase temporary space for development kitchen c. Identify location; prepare ground, utilities connection etc. d. Seek regulatory advice for food hygiene and other environmental health as well as health and safety issues e. Create a programme of activities for demonstrations in Covid-safe way f. Link with RCB, distillery and other on-site production units to create bespoke events
3	Branding promotion and marketing	<ul style="list-style-type: none"> a. Appoint consultants to create new branding, jointly with MMM – linked to the Discover Melton offer. b. Create a bespoke website, with links to council website and discover Melton c. Add bespoke, technical content d. Wider promotion to midlands based businesses, chamber, FSB, LLEP etc. e. Establish links with smartparc in Derby, FIN in Loughborough and food park in Leicester
4	Event infrastructure	<ul style="list-style-type: none"> a. Consider Covid-19 impact and issues b. Work with MMM, events operators and environmental health services to agree an approach holding events in Covid-safe environment

		c. Identify actions/ infrastructure needs and costing d. Prepare a programme of safe events
5	Project Management	a. Arrange for project manager support (1day per week for 1 year) b. Weekly catch up with service manager, monthly catch up with director, quarterly update to SLT and portfolio holder

- 5.9 The appointed project manager will work closely with the regeneration manager and the tourism and events officer to explore the above list of activities and pursue the most economic and effective way to achieve the benefits, within the constraints of available funding as well as grant conditions. It is expected that the work carried out through this project will provide evidence for future stages of funding and test the demand and effectiveness of each kind of activity.
- 5.10 It is expected this project will run for a 12-18 months to enable MBC and Partners to develop these work-streams fully and to be able to assess which elements are firstly financially feasible to continue but also which, from the users point of view have worked well to determine what elements should remain, which will need tweaking and those which have not proved to be popular and should be curtailed.
- 5.11 **Key stakeholders:**
- 5.12 As current occupiers and operators of the cattle market, Melton Mowbray Market (MMM) will play a key role in this work. The south site lease may need amending to incorporate some of the planned activities. MMM have confirmed match funding for creating new website and brand guidance. Alterations to units to accommodate new businesses are being covered by the businesses at no additional cost to the Council, but will improve income from rents.
- 5.13 The Food Innovation Centre of University of Nottingham has been involved in preparing the initial feasibility of FEC. They have state of the art laboratory facilities which they have conformed that it will be available to the businesses at cost for testing new products as and when required. Experts from the centre will be available to provide consultancy support at cost.
- 5.14 Brooksby Melton College (BMC) is an important link in the project from skills development perspective. They offer courses in farming, agriculture, land management, food production and catering and promote the 'field to fork' approach. By working with UoN they will have the opportunity to strengthen their offer and capability. The rural catering centre based at BMC site on Wilton road has the potential to provide a key link for development facility and kitchen spaces.
- 5.15 It is proposed to create a small steering group involving key external partners to include MBC, BMC and MMM to meet on monthly basis to co-ordinate activities.
- 5.16 There will be many other external partners key to ensuring this project delivers on multitude of aspects. The project team will work with consultants to develop a consultation strategy for the different stages of this project and this will look to include a range of partners including but not limited to:
- Event operators
 - Town Centre partners such as the BID and MMTE

- User groups (visitors, event managers and businesses who are on site)
- Business organisations such as Chamber of Commerce, Federation of Small Businesses (FSB), Leicester and Leicestershire Economic Partnership (LLEP), Growth Hub etc.

- 5.17 In addition to using BRP funding for the FEC, there are other complimentary activities being undertaken by the Regeneration team that will have a direct impact on the outcomes, add value to the project and enhance the benefits.
- 5.18 It is evident that the tourism and events sector is one of the worst hit sectors for Melton due to COVID-19 pandemic. There will be continuous engagement with events operators regarding food festivals and other events organisation in COVID-safe way.
- 5.19 Consultants have been commissioned to create a brand new website with heightened interactivity and high visual impact. A key part of the website will be an interactive destination map. A layer of this map will focus on highlighting and linking destinations for food production and experience.
- 5.20 In April 2020, the Council was due to launch a capital grants support scheme for providing funding to rural pubs for expansion and diversification to be the hubs of a range of activities in their rural communities. This was put on hold due to the COVID-19 situation. It is proposed to review the scheme as part of the budget process in the new year. In order to maximise the benefit of the scheme, a wider support package will be considered to include support and advice for rural businesses for planning and regulations including environmental health, food safety etc. Diversification of farms and pubs for suitable and relevant uses that support rural tourism and food production or experience will be promoted. This project will maximise the benefits of 'Stay local, Shop local' trends.
- 5.21 Physical connectivity of the High Street with the cattle market will be key to ensure both locations benefit from the footfall in each location and provide a holistic offer for the visitor to the town. This will be included in the development of the Transport strategy by working with Leicestershire County Council.

6 Options Considered

- 6.1 Not doing anything is not an option as the 'rural capital for food' is ingrained in Melton's DNA. Funding is received and Council's match funding already approved. To meet the conditions of the grant agreement, it is prudent to maintain progress on agreed activities and maximise the benefits for Melton's economy.

7 Consultation

- 7.1 As per paragraph 5.11 to 5.16.

8 Next Steps – Implementation and Communication

- 8.1 Next steps:
- Implement tasks as identified in paragraph 5.7.
 - Provide regular update to the Portfolio Holder on progress made.

9 Financial Implications

- 9.1 £100,000 grant funding is received from LLEP in September 2020.

9.2 The Council approved £50,000 match funding for this project as part of the budget for 2020/21.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

10.1 The Council has the power to receive grants from organisations using its general power of competence in section 1 of the Localism Act 2011. Section 1 of the Localism Act 2011 permits a Council to do anything that an individual may do whether or not normally undertaken by a local authority (the General Power of Competence).

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

11.1 The production of website and any other material for visual communication will follow accessibility guidelines.

12 Community Safety Implications

12.1 There are no community safety implications.

13 Environmental and Climate Change Implications

13.1 Sustainability within food production and processes will be considered as part of technical advice to businesses.

14 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Delays in delivery timescales due to Covid-19 pandemic or capacity within the team	High	Marginal	Medium Risk
2	Funding available is of fixed sum and there is no room for tolerance in case of cost overrun	Low	Marginal	Low Risk
3	MBC alone can't deliver all the benefits without partners buy-in and active involvement	High	Marginal	Medium Risk
4	Changing market conditions and user trends/ expectations	High	Critical	High Risk
5	Scope could expand as the potentials and opportunities are enormous	High	Marginal	Medium Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				

5 High		1,3,5	4	
4 Significant				
3 Low		2,		
2 Very Low				
1 Almost impossible				

Risk No	Mitigation
1	This will be managed through project manager and the wider project team. Mitigations to delays can be put in place to ensure impact is minimized and all relevant guidelines will be adhered to. Any delays will be communicated to LLEP at the earliest opportunity.
2	This will be managed through the procurement process and identifying clearly what work is required. Ongoing dialogue with project manager will ensure the cost stay within the agreed amounts. Any work-stream specific variances will be considered by the Growth and Regeneration Programme Board to ensure the overall project budget stays on track.
3	Partner consultation will be undertaken throughout to ensure the provision matches local needs and to ensure user satisfaction with the facilities and events that have taken place to inform future provision.
4	Work being carried out to assess impact of Covid-19 on expectation of partners and user trends to ensure any facility provides what the users require. Some soft market testing has been done through previous works to test the business demand. This should give MBC the information it requires to give confidence in the model is chooses as its preferred options once this Year long 'live' feasibility trial period has ended.
5	Managing the scope of the project will be critical to meet the cost, timescales and grant conditions. This will be managed by regular LLEP contact and project board updates.

15 Background Papers

15.1 [Cabinet Report 22 April 2020](#) – Acceptance of Business Rate Pool Grant Funds

16 Appendices

16.1 Appendix 1: Plan identifying Manufacturing Zone sites and other developments

16.2 Appendix 2: Conceptual diagram- rural capital for food

16.3 Appendix 3: Town centre sites for FEC activities and connections

16.4 Appendix 4: Cattle market site and FEC activities

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